

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2690
 SPONSOR: Senator Klein
 SUBJECT: Governor's Recommended Budget
 DATE: March 22, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fournier</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
2.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>
3.	<u> </u>	<u> </u>	<u>RC</u>	<u> </u>
4.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

This bill requires that the Governor's recommended budget contain a 3, 5, and 10-year forecast of projected state revenue collections, expenditures, needs, and future commitments, including documentation of any planned debt issuance or projections of the need to issue debt to address future state needs.

This bill substantially amends s. 216.163, Florida Statutes.

II. Present Situation:

Article III, s. (19)(h) of the Florida Constitution provides that the governor shall recommend to the legislature biennially any revisions to the state planning document, as defined by law. Art. IV, s. (1)(a) of the Constitution further provides that the governor shall be the chief administrative officer of the state responsible for the planning and budgeting of the state. Both of these provisions were recommended by the Tax and Budget Reform Commission in 1992, and were approved by the voters in November of that year.

Section 216.163, F.S., provides the required form and content for the Governor's recommended budget. This budget must contain:

- The Governor's recommendations for operating each state agency, and those of the Chief Justice for operating the judicial branch for the next fiscal year. These recommendations must be displayed by appropriation category within each budget entity and must include the legislative budget requests of the corresponding agency;
- The Governor's recommendations and those of the Chief Justice for fixed capital outlay appropriations for the next fiscal year, displayed by budget entity, and including the legislative budget request of the corresponding agency;

- The evaluation of the fixed capital outlay request of each agency and the judicial branch and alternatives to these proposals as made by the Department of Management Services;
- A summary statement of the requests by each agency and the judicial branch;
- A distinct listing of all nonrecurring appropriations recommended by the Governor or the Chief Justice;
- The Governor's recommendations for high-risk information technology projects which should be subject to monitoring under s. 282.322, F.S.; and
- Any additional information which the Governor or Chief Justice feels is needed to justify his or her recommendations.

The Governor must also provide a performance-based program budget that allows comparison of the requested information with the agency request and legislative appropriation by the legislative appropriation planning and budgeting system.

Based upon the findings of the Office of Program Policy Analysis and Governmental Accountability, the Executive Office of the governor may submit a recommendation for executive agencies, which may include a recommendation regarding incentives or disincentives for agency performance. The Chief Justice shall make appropriate recommendations for the judicial branch.

At the same time that the Governor furnishes copies of his or her recommended budget to each senator and representative, the Executive Office of the governor shall electronically transmit to the legislative appropriations committees the Governor's recommended budget, the Exhibit B Major Issues, and D-3a's.

Section 216.013, F.S., requires state agencies to develop long-range program plans to achieve state goals using an interagency planning process that includes the development of integrated agency program service outcomes. These plans must cover a period of 5 fiscal years and become effective on July 1 of each year. Long-range program plans must identify and describe agency functions and how they will be used to achieve designated outcomes, and identify future needs and costs of achieving these outcomes, including facility and fixed capital outlay projects and their associated costs. These long-range plans must be submitted to the Executive Office of the Governor, which shall review the plans and ensure that they are consistent with the state's goals and objectives and that they provide the framework and context for the agency's budget request.

The Capital Facilities Planning and Budgeting Act (ss. 216.015 – 216.016, F.S.) is a comprehensive capital facilities planning and budgeting process established and maintained by the Legislature to enable the state to better meet the demands for new and properly maintained infrastructure in a fiscally responsible manner. It includes:

- An inventory of current facilities owned, leased, rented, or otherwise occupied by any agency of the state or the judicial branch;
- An assessment of current population, economic, social, physical, and environmental trends and conditions that relate to public facilities;
- A determination of future demographic conditions deemed most appropriate and likely for this state and of a set of goals and objectives;
- A determination of unmet needs by comparing existing facilities to goals and objectives;

- A strategic matching of funding options and facility needs to ensure the most effective development strategy; and
- A management structure that maintains, operates, repairs, renovates, and replaces capital facilities to obtain the maximum value for each public dollar spent.

The Executive Office of the Governor is designated as the agency responsible for the coordination, development, direction, monitoring, and evaluation of the comprehensive capital facilities planning and budgeting process, and is required to publish an annual report of the progress being made by the state toward meeting the state goals and objectives of the plans. All agencies of government and the judicial branch are directed to extend maximum cooperation and assistance in the furtherance of this program.

III. Effect of Proposed Changes:

Senate Bill 2690 amends s. 216.163, F.S., to require the governor's recommended budget to include a 3, 5, and 10-year forecast of projected state revenue collections, expenditures, needs, and future commitments, including documentation of any planned debt issuance or projections of the need to issue debt to address future state needs.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill will likely create a need for increased resources for the Executive Office of the governor to prepare the long range forecasts required by the bill. Additionally, to the extent that consensus estimating conferences are utilized to prepare these forecasts, additional resources may be required by conference principals and participants.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
